



# **PROPOSED RULE MAKING (RCW 34.05.320)**

**CR-102 (7/22/01)  
Do NOT use for expedited  
rule making**

**Agency:** Department of Labor and Industries

- ☒ Preproposal Statement of Inquiry was filed as WSR 04-04-100; or  
☐ Expedited Rule Making -- Proposed notice was filed as WSR \_\_\_\_\_; or  
☐ Proposal is exempt under RCW 34.05.310(4).

- ☒ Original Notice  
☐ Supplemental Notice  
to WSR \_\_\_\_\_  
☐ Continuance of WSR \_\_\_\_\_

**(a) Title of rule:**

Workers' Compensation Classification Plan – Chapter 296-17 WAC General Reporting Rules, Classifications, Audit and Recordkeeping, Rates and Rating System for Washington Workers' Compensation Insurance

**Purpose:**

The department is amending the definition of occupational disease as defined in WAC 296-17-870 as a result of requests from external customers.

Other identifying information: None

**(b) Statutory authority for adoption:**

RCW 51.04.020 (General Authority)  
RCW 51.16.035 (Classification Plan/Base Rate)

**Statute being implemented:**

RCW 51.16.035

**(c) Summary:**

Amend one experience rating rule relating to the definition of occupational disease defined in WAC 296-17-870.

**Reasons supporting proposal:**

RCW 51.16.035 requires that the department maintain actuarial solvency of the industrial insurance (workers' compensation) funds and maintain a classification plan. The department has received requests from external customers to amend the definition of occupational disease as defined in WAC 296-17-870.

**(d) Name of Agency Personnel Responsible for:**

	Office Location	Telephone
<b>1. Drafting...</b> Ken Woehl	Tumwater, WA	(360) 902-4775
<b>2. Implementation....</b> Kathy Kimbel	Tumwater, WA	(360) 902-4739
<b>3. Enforcement.....</b> Robert Malooly	Tumwater, WA	(360) 902-4209

**(e) Name of proponent (person or organization):**

Department of Labor and Industries

- ☐ Private  
☐ Public  
☒ Governmental

**(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters:**

N/A

**(g) Is rule necessary because:**

<b>Federal Law?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	If yes, ATTACH COPY OF TEXT Citation: N/A
<b>Federal Court Decision?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
<b>State Court Decision?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	

**(h) HEARING LOCATION:**

**Tumwater Labor and Industries Office**

7273 Linderson Way S.W.  
Tumwater, Washington 98504-4851  
Room S119

**Date:** April 27, 2004      **Time:** 8 a.m.

Assistance for persons with disabilities:  
Contact Office of Information and Assistance by April 27, 2004

**TDD** (360) 902-5797

**NAME (TYPE OR PRINT)**

**Paul Trause**

SIGNATURE

**TITLE**  
**Director, Labor and Industries**

**DATE**  
**March 19, 2004**

**Submit written comments to:**

Department of Labor and Industries  
Ken Woehl  
Classification Services Section  
P.O. Box 44148, Olympia WA 98504-4148  
Or E-Mail to [WOEH235@lni.wa.gov](mailto:WOEH235@lni.wa.gov) or  
Fax (360) 902-4729 by April 27, 2004

**DATE OF INTENDED ADOPTION:** April 30, 2004

**CODE REVISER USE ONLY**

**WSR# 04-07-122**

(COMPLETE REVERSE SIDE)

(j) Short explanation of rule, its purpose, and anticipated effects:

The department is required by RCW 51.16.035 to establish and maintain a workers' compensation insurance classification plan that classifies all occupations or industries within the state, and to set basic rates of premium for all classifications. The department proposes to revise one experience rating rule to amend the definition of occupational disease as contained in WAC 296-17-870. This change is a request from external customers to amend the definition of occupational disease as it relates to experience rating of a business.

Does proposal change existing rules? ☒ YES

☐ NO

If yes, describe changes:

The department proposes to amend one experience rating rule that defines the definition of occupational disease as contained in - 296-17-870 WAC.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ YES. Attach copy of small business economic impact statement.

☒ NO. Explain why no statement was prepared

The Regulatory Fairness Act (RFA), chapter 19.85 RCW requires that the economic impact of proposed regulations be analyzed in relation to small business, and outlines the information that must be included in a Small Business Economic Impact Statement (SBEIS). Preparation of a SBEIS is required when a proposed rule has the potential of placing a more than minor economic impact on business.

However, since the proposed rule would not place a more than minor economic impact on business, the preparation of a comprehensive SBEIS is not required.

(l) Does RCW 34.05.328 apply to this rule adoption?

☐ Yes

☒ No

Please explain:

RCW 51.16.035 requires the Department of Labor and Industries to establish a Classification Plan to include general reporting rules, risk classification definitions, and premium rates for all classifications in accordance with recognized principles of insurance.

The rule is significant under RCW 34.05.328, however, this rule is exempt from the significant rule-making criteria because RCW 34.05.328(5)(b)(vi) establishes that rules that set or adjust fees or rates pursuant to legislative standards are exempt from the criteria outlined in RCW 34.05.328.